

MINUTES

**California Industrial Development
Financing Advisory Commission
915 Capitol Mall, Room 587
Sacramento, California
July 24, 2007**

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Acting Chair, called the California Industrial Development Financing Advisory Commission (CIDFAC) meeting to order at 10:34 a.m.

Members Present: Bettina Redway for Chairman Bill Lockyer, State Treasurer
Vince Brown for Michael C. Genest, Director, Department of Finance
Cindy Aronberg (via teleconference) for John Chiang, State Controller
Preston DuFauchard, California Corporations Commissioner,
Department of Corporations
Stanton Hazelroth for Dale Bonner, Agency Secretary, Business,
Transportation and Housing Agency

Staff Present: Tom Dresslar, Executive Director
Eileen Marxen, Deputy Executive Director

Quorum: The Acting Chair declared a quorum

2. APPROVAL OF JUNE 19, 2007 MEETING MINUTES

Ms. Redway asked if there were any questions concerning the June 19, 2007 meeting minutes. There were none.

Mr. Brown moved to approve the minutes; upon a second, the motion was unanimously approved.

3. EXECUTIVE DIRECTOR'S REPORT

Tom Dresslar began the Executive Director's report by noting that there were three projects on the agenda totaling \$25,800,000 seeking approval. All combined, the projects will create or retain 662 jobs. Mr. Dresslar referred to the pipeline and noted that, with the projects on the agenda, Industrial Development Bond (IDB) allocation is oversubscribed by \$14,900,000. The California Debt Limit Allocation Committee (CDLAC) will propose to make additional allocation available to IDBs in the amount of \$29,700,000, which will include \$9,700,000 in unused allocation and \$20,000,000 from the rural housing pool. Mr. Dresslar stated that it is anticipated that CDLAC's September 2007 allocation round for IDBs will be competitive. Based on current projections, he said that projects totaling up to \$40,000,000 may be competing in the September allocation round.

Regarding projects that are not successful in the September allocation round, Ms. Redway inquired about the possibility that issuers can request allocation next year.

Ms. Marxen responded that for the projects that do not receive allocation this year, the issuers may request allocation next year if the borrowers' business plans allow it.

Mr. DuFauchard inquired about the effect of the Board's approval of these projects if CIDFAC is oversubscribed.

Ms. Marxen replied that two of the projects on the July agenda were on CDLAC's July agenda and are anticipated to receive allocation. The other project, namely Le Pafe, will compete for allocation in the September round.

Ms. Redway asked if there were any questions from the Board. There were none.

4. BUSINESS ITEMS

Ms. Aronberg stated that the Controller will not participate in this item because it involves Wells Fargo, and the Controller has a conflict with items involving Wells Fargo.

Ms. Redway asked Ms. Aronberg if there was anyone else in her office.

Ms. Aronberg stated that no members of the public were attending the meeting at her location. Ms. Redway muted the teleconference system so that Ms. Aronberg was not included in the Authority's deliberations and actions on this item.

A. REQUEST TO APPROVE INITIAL AND FINAL RESOLUTIONS FOR TAX-EXEMPT (TE) BONDS

Staff introduced Olivier Fischer-Morelle, Cantaré Foods, Inc., and Terence Murphy, Program Manager for the California Statewide Communities Development Authority (CSCDA).

- 1) On behalf of Fiorella Investments LLC and/or its affiliates (Borrower) Cantaré Foods, Inc. and/or its affiliates (User),** the CSCDA requested approval of Initial and Final Resolution No. 07-0010 for an amount up to \$10,000,000 in tax-exempt bonds. Bond proceeds will be used for the purchase of land, the construction of a manufacturing facility, and for the purchase and installation of equipment. The Company occupies two facilities, one in the City of Baldwin Park and the other in the City of San Diego. The Company closed a manufacturing facility in the northern portion of the City of San Diego and transferred all equipment and all employees to a facility, which consists of a new, two story building with approximately 72,500 square feet, located in the Otay Mesa area of the City of San Diego. The Project was assigned a total of 35 verifiable points. Five of the 35 points assigned are based upon the retention of 102 jobs and the creation of 89 jobs. Presented by – Michael Smith.

Ms. Redway asked if the Company representatives wished to make any comments.

Olivier Fischer-Morelle, Cantaré Foods, Inc., commented that this has been quite an experience for the Company, and that he hopes they can proceed with the financing.

Ms. Redway asked for any public comments.

Mr. Hazelroth moved approval of the item; upon a second, the item passed with the following vote: Stanton Hazelroth: Aye; Vince Brown: Aye; Preston DuFauchard: Aye; Bettina Redway: Aye; Cindy Aronberg abstained.

- 2) Staff introduced Dan Bronfman, Progressive Capital, Johnathan Lau, Le Pafe, Inc., and Paula Conners, California Enterprise Development Authority (CEDA).

On behalf of Le Pafe, Inc., and/or a related party (including a sole proprietorship, trust, limited liability company, corporation, or partnership), CEDA requested approval of Initial and Final Resolution No. 07-0009 for an amount up to \$7,300,000 in tax-exempt bonds. Bond proceeds will be used to finance improvements to accommodate a new, modern baking facility, which includes new ventilation, electrical, and drainage systems. Proceeds will also be used for the acquisition and installation of new production equipment at two facilities, which includes ovens, mixers, refrigerators, production workstations, and freezers. The Project was assigned a total of 54 verifiable points. The Project will be located in an area where the poverty rate is 134% of the statewide average. With regard to job creation and retention, the Company received the maximum point value because it represents that it will retain its current workforce of 220 employees and anticipates creating an additional 110 positions, which will include 20 management positions and 90 skilled/semi-skilled positions, within two years of completion of the Project. Presented by – Deanna Hamelin.

Ms. Redway asked if there were any questions from the Board, comments from Company representatives, or comments from the public. There were none.

Mr. DuFauchard moved approval of the item; upon a second, the motion was unanimously approved with the following vote: Stanton Hazelroth: Aye; Vince Brown: Aye; Preston DuFauchard: Aye; Cindy Aronberg: Aye; Bettina Redway: Aye.

- 3) Staff introduced Joseph Tuck, Company Representative, and Dan Bronfman, Progressive Capital.

On behalf of Semper Virens Bakery Food Cooperative, Inc. and/or a related party, (including a sole proprietorship, trust, limited liability company, corporation, or partnership) CEDA requested approval of Initial and Final Resolution No. 07-0011 for an amount up to \$8,500,000 in tax-exempt bonds. Bond proceeds will be used for the acquisition of land, acquisition and renovation of an

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existing building, the acquisition and installation of new production equipment, including high efficiency ovens, freezers, and packaging and material handling systems, and payment of certain costs of issuance and credit enhancement costs. Semper Virens is an employee owned company, and most of the Company's 120 employees are cooperative members and shareholders owning voting stock in the Company. The Company's current production facility is in the City of Rohnert Park and is overcrowded and operating at capacity, which is causing production and plant inefficiencies. The company intends to relocate its production facility to the City of Petaluma. All current employees will be transferred to the new facility, which is approximately 12.5 miles from the current facility. Staff awarded five of the 31 verifiable points to the Project for the retention of 120 jobs, and the creation of 21 jobs within two years of the Project's completion. Presented by – Deana Carrillo.

Ms. Redway asked if there were questions from the Board or comments from the Company representatives.

Mr. Bronfman asked Mr. Tuck to discuss the Company's cooperative ownership.

Mr. Tuck responded that the company is organized as a worker co-op, which means that the workers are members and the proceeds from the Company's operations go back to the workers.

Ms. Redway asked if there were any comments from the public.

Stanton Hazelroth moved to approve the item; upon a second, the motion was unanimously approved with the following vote: Stanton Hazelroth: Aye; Vince Brown: Aye; Preston DuFauchard: Aye; Cindy Aronberg: Aye; Bettina Redway: Aye.

5. PUBLIC COMMENT

Ms. Redway asked for public comments. There were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting adjourned at 10:53 A.M.

Respectfully submitted,

Tom Dresslar
Executive Director